

Benefit Funds - Benefit Fund**Fund 160****BENEFIT FUND OVERVIEW:**

San José Municipal Code section 4.80.2000 establishes a single fund, the “Benefit Fund”, for the deposit and accounting of moneys related to the provision and financing of benefits to City employees, retirees, and their spouses. The various “funds” to which moneys are allocated are accounted for within the Benefit Fund.

PURPOSE OF THE FUND:

The Benefit Fund was established to account for the costs of funding the City’s portion of employee fringe benefits, other than dental insurance, life insurance and unemployment insurance. Any contributions required to be made by the City for the health insurance premiums for City employees, City Council members, and dependents as required by applicable resolutions, ordinances, or contracts are deposited into the fund.

Moneys in the Benefit Fund must be expended for expenses of providing health insurance for city employees, City Council members, and dependents.

Revenues are credited each pay period using rates determined by the Human Resources Department multiplied by the number of employees per rate for the City’s contribution. Employee contributions are not credited to the fund, but are recorded in the Employee Health Fund (Fund 161), which is a memo fund to the Benefit Fund. Payroll issues premium checks for the various benefit plans which pull moneys from the Benefit Fund and Employee Health Fund to cover the City’s and employee’s share each month.

Benefits included in this fund are:

- Municipal Employees’ Federation Legal Trust Fund
- 457 Deferred Compensation Plan for Part-Time, Temporary, and Contract employees
- Vision
- Health
- Federal Insurance Contributions Act (FICA) Medical Payments
- Employee Assistance Program

AUTHORITY FOR THE FUND:

San José Municipal Code section 4.80.2000 through 4.80.2030. Revenue and expenditure estimates are budgeted via Council funding sources resolution and appropriation ordinance, respectively.

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- City contributions
- Interest earnings
- Transfers from other funds

FUND RESTRICTIONS:

The City Council may at any time transfer moneys from said Benefit Fund to any other appropriate fund. Changes in amounts to be deposited in the fund are not subject to the requirements of Proposition 218.

LEAD RESPONSIBILITY:

Human Resources Department

FINANCIAL INFORMATION AND LOCATION:**Comprehensive Annual Financial Report (CAFR) Designation:**

Governmental Fund-Special Revenue

Budget Location:

Adopted Operating Budget

Funding Sources Resolution and Appropriation Ordinance Location:

Section 16.06